



**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**[Docket No. FR-5634-N-01]**

**Changes in Certain Multifamily Housing and Health Care Facility  
Mortgage Insurance Premiums for Fiscal Year (FY) 2013**

**AGENCY:** Office of the Assistant Secretary for Housing – Federal Housing Commissioner, HUD.

**ACTION:** Notice.

**SUMMARY:** In accordance with HUD regulations, this notice announces changes of the mortgage insurance premiums (MIPs) for certain Federal Housing Administration (FHA) Multifamily Housing, Health Care Facilities, and Hospital Mortgage Insurance programs for commitments to be issued or reissued in FY 2013. The MIP for market-rate New Construction/Substantial Rehabilitation loans under Sections 207, 213, 220, 221(d)(4), 231, 232, and 242 is proposed to increase by 20 basis points and 223(a)(7) loans by 5 basis points; with a 15 basis point increase for all other market-rate multifamily housing, health care facility, and hospital loans. The increases will not apply to Low Income Housing Tax Credit Loans, other affordable housing loans for HUD-assisted properties, or loans insured under FHA's Risk Sharing programs. These MIP increases will not only provide additional protection for the GI/SRI fund and increase receipts to the Treasury, but will also encourage private lending to return to the market by ensuring FHA is not under- pricing its risk. In addition to announcing MIPs for FY 2013, this notice also announces that a positive credit subsidy obligation will not be required in FY 2013 for loans under any of the active mortgage insurance programs for multifamily housing or health care facilities.

**DATES:** *Comment Due Date:* **[insert date that is 30 days following the date of Federal Register publication]**

**ADDRESSES:** Interested persons are invited to submit comments regarding this Notice to the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 Seventh Street, SW. Room 10276, Washington, DC 20410-0500. Interested persons also may submit comments electronically through the Federal eRulemaking Portal at: <http://www.regulations.gov>, referencing the docket number for this Notice. Commenters should follow the instructions provided on that site to submit comments electronically. HUD strongly encourages commenters to submit their comments electronically through <http://www.regulations.gov>. The comments received through this portal are posted and can be easily viewed.

Facsimile (FAX) comments are not acceptable. In all cases, communications must refer to the docket number and title. All comments and communications submitted will be available, without change, for public inspection and copying between 8 a.m. and 5 p.m. weekdays at the above address. Due to security measures at the HUD Headquarters building, please schedule an appointment to review the public comments by calling the Regulations Division at (202) 708-3055 (this is not a toll-free number). Copies of electronically filed comments are also available for inspection and downloading at <http://www.regulations.gov>.

**FOR FURTHER INFORMATION CONTACT:** Dan Sullivan, Acting Director, Office of Multifamily Housing Development, Office of Housing, Department of Housing and Urban Development, 451 7th Street, SW, Washington, DC 20410-8000; telephone: 202-402-6130 (this is not a toll-free number). Hearing- or speech-impaired individuals may access these numbers through TTY by calling the Federal Relay Service at 800-877-8339 (this is a toll-free number).

## **SUPPLEMENTARY INFORMATION:**

### **I. Background**

HUD's mortgage insurance regulation at 24 CFR 207.254 provides as follows:

Notice of future premium changes will be published in the Federal Register. The Department will propose MIP changes for multifamily mortgage insurance programs and provide a 30-day public comment period for the purpose of accepting comments on whether the proposed changes are appropriate.

Pursuant to this 30-day comment procedure, this notice announces changes for FY 2013 in the MIP for programs authorized under the National Housing Act (the Act) (12 U.S.C. 1709(c)(1)). These changes will not apply to loans combined with Low Income Housing Tax Credits, other affordable housing loans for HUD-assisted properties, or loans insured under FHA's Risk Sharing programs. "Other affordable housing loans for HUD-assisted properties" include those for properties with an active project-based Section 8 contract covering any of its units. These changes will be effective and apply to any Firm Commitments issued or reissued after October 1, 2012.

### **II. MIPs for FHA's Mortgage Insurance Programs for FY2013**

In the chart set forth below, this Notice announces the MIPs which will be in effect during FY 2013 for the multifamily housing, health care facilities, and hospital mortgage insurance programs authorized under the National Housing Act (12 U.S.C. 1713 et seq.). The multifamily housing programs are administered by FHA's Office of Multifamily Housing Programs. The health care facilities and the hospital insurance programs are administered by FHA's Office of Healthcare Programs. The programs administered by these offices are listed separately on the chart.

### **III. Positive Credit Subsidy**

Positive credit subsidy will no longer be required for loans under any of the active mortgage insurance programs for multifamily housing or health care facilities. Beginning on October 1, 2012, commitments issued for Section 223(d) operating loss loans for health care facilities and Section 241(a) supplemental loans to FHA-financed multifamily housing will be reported under the budget risk category of their respective, primary FHA mortgages, all of which will generate negative credit subsidy in FY 2013. In addition, the Department will suspend issuance and reissuance commitments under two other programs that had previously required positive credit: Section 221(d)(3) multifamily housing loans for projects with non-profit sponsors or for Section 223(d) operating loss loans to multifamily housing projects with a primary FHA mortgage.

The mortgage insurance premiums to be in effect for FHA firm commitments issued or reissued in FY 2013 are shown in the chart below.

Fiscal Year 2013 MIP Rates  
Multifamily Housing, Health Care Facilities and Hospital Insurance Programs

<b>FHA Apartments</b>	<b>Current Basis Points</b>	<b>FY13 Basis Points</b>
207 Multifamily Housing New Construction/Sub Rehab without LIHTC	50	70
207 Multifamily Housing New Construction/Sub Rehab with LIHTC	45	45
207 Manufactured Home Parks without LIHTC	50	70
207 Manufactured Home Parks with LIHTC	45	45
221(d)(3) New Construction/Substantial Rehabilitation (NC/SR) for Nonprofit/Cooperative mortgagor without LIHTC	80	N/A
221(d)(3) Limited dividend with LIHTC	45	45
221(d)(4) NC/SR without LIHTC	45	65
221(d)(4) NC/SR with LIHTC	45	45
220 Urban Renewal Housing without LIHTC	50	70
220 Urban Renewal Housing with LIHTC	45	45
213 Cooperative	50	70
207/223(f) Refinance or Purchase for Apartments without LIHTC	45*	60*
207/223(f) Refinance or Purchase for Apartments with LIHTC	45*	45*
223(a)(7) Refinance of Apartments without LIHTC	45	50
223(a)(7) Refinance of Apartments with LIHTC	45	45
223d Operating Loss Loan for Apartments	80	N/A
231 Elderly Housing without LIHTC	50	70
231 Elderly Housing with LIHTC	45	45
241(a) Supplemental Loans for Apartments/coop without LIHTC	80	95
241(a) Supplemental Loans for Apartments/coop with LIHTC	45	45
<b>FHA Health Care Facilities (Nursing Homes, ALF &amp; B&amp;C)</b>	<b>Current Basis Points</b>	<b>FY13 Basis Points</b>
232 NC/SR Health Care Facilities without LIHTC	57	77
232 NC/SR – Assisted Living Facilities with LIHTC	45	45
232/223(f) Refinance for Health Care Facilities without LIHTC	50*	65*
232/223(f) Refinance for Health Care Facilities with LIHTC	45*	45*
223(a)(7) Refinance of Health Care Facilities without	50	55

LIHTC		
223(a)(7) Refinance of Health Care Facilities with LIHTC	45	45
223d Operating Loss Loan for Health Care Facilities	80	95
241(a) Supplemental Loans for Health Care Facilities without LIHTC	57	72
241(a) Supplemental Loans for Health Care Facilities with LIHTC	45	45
<b>FHA Hospitals</b>	<b>Current Basis Points</b>	<b>FY13 Basis Points</b>
242 Hospitals	50	70
223(a)(7) Refinance of Existing FHA-insured Hospital	50	55
223(f) Refinance or Purchase of Existing Non-FHA-insured Hospital	50	65
241(a) Supplemental Loans for Hospitals	50	65

\*The first year MIP for the Section 207/223(f) loans for apartments is 100 basis (one percent) points for the first year, as specified in sections 24 CFR 207.252b(a). The first year MIP for a Section 232/223(f) health care facility remains at 100 basis points (one percent).

Dated: April 3, 2012

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Carol Galante,  
Acting Assistant Secretary for Housing –  
Federal Housing Commissioner

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